

# **1999 FARM INCOME HIGHLIGHTS**

## **CASH RECEIPTS**

Farm product sales during 1999 totaled \$3.46 billion for Kentucky producers, down 8 percent from 1998. Crop sales totaled \$1.3 billion, down 19 percent from 1998 due to a sharp drop in tobacco quota and low crop prices. Livestock and livestock product sales generated \$2.16 billion, slightly below the 1998 level. Sales of horses and stud fees were the leading source of cash receipts for Kentucky during 1999 with \$830 million. Tobacco was the number one cash crop for 1999, and accounted for \$737 million in cash receipts.

Cash receipts for all major crops except hay were below 1998 levels. Tobacco receipts fell 20 percent from 1998 to \$737 million during 1999 as quota levels were cut. Tobacco accounted for 21 percent of total receipts and remains the number one cash crop for Kentucky. Corn was the number two crop with \$235 in cash receipts, 4 percent below 1998. Soybeans ranked third and generated \$144.5 million in sales during 1999, well below the \$237 million reported in 1998. Soybean production was reduced because of the drought of 1999.

Lower prices also reduced cash receipts. Wheat and hay were fourth and fifth in crop cash receipts. Wheat sales were \$58.8 million during 1999, 9 percent below the previous year while hay sales, at \$46.5 million, climbed slightly from the 1998 level.

Receipts from the sale of livestock and livestock products during 1999 were down slightly from 1998. Sales of horses, broilers, and eggs increased from 1998 levels. Sales of horses and stud fees were the largest source of cash receipts in Kentucky, climbing 5 percent to \$830 million or 24 percent of total receipts. Cattle and calf sales ranked second with \$551 million, 10 percent below the previous year. Broiler receipts came in third and generated \$363 million, up 9 percent from 1998. Receipts from dairy products ranked fourth at \$248 million, down 4 percent from 1998. Hogs were fifth with \$77.7 million in cash receipts, during 1999, 13 percent below the previous year. Extremely low prices at the beginning of the year and a declining inventory account for the reduced cash receipts.

## **PRICES RECEIVED BY KENTUCKY FARMERS**

Average prices received for 1999 were below the 1998 levels for all major crops except tobacco and hay. Cattle and egg prices were up from the previous year. Milk prices were down fractionally, but hog prices fell to their lowest level in almost 30 years.

The preliminary marketing year average price for corn was \$2.15 per bushel, compared with \$2.17 for 1998, and the lowest level since 1987. Soybeans averaged \$4.95 per bushel, down 20 cents from the previous year and the lowest season average price since 1975. The marketing year for corn and soybeans is from September through August. Wheat prices averaged \$2.15 per bushel, down 11 cents from 1998 and the lowest average price since 1977. The marketing year for wheat is from July through June.

Burley tobacco averaged \$1.900 per pound during the 1999 marketing season, virtually unchanged from the \$1.903 posted for the previous year. Dark tobacco prices averaged \$2.195 per pound, up 6.6 cents from the average of \$2.129 during 1998.

The All Hay price averaged \$91.50 per ton during 1999, up 6 percent from 1998. Other Hay averaged \$78 per ton, up 7 percent from the previous year. Alfalfa averaged \$117 per ton, 4 percent above the 1998 average.

Cattle and calf prices were steady to higher during 1999. Steers and heifers weighing over 500 pounds averaged \$69.50 per hundred pounds, up 4 percent from 1998. Beef cows were unchanged from 1998 at \$34.80 per hundred pounds while calves under 500 pounds averaged \$80.20 per hundred pounds during 1999, 7 percent above the previous year.

Hog prices declined from 1998 and remain at their lowest level since 1972. Barrows and gilts averaged \$28.80 per hundred pounds during 1999, down 19 percent from the previous year. Sows averaged \$22.20 per hundred pounds, 10 percent below 1998. All Hogs averaged \$28.50 per hundred pounds, down 19 percent from the \$35.20 recorded during 1998.

The All Milk price for 1999 averaged \$15.40 per hundred pounds, down slightly from the \$15.50 recorded in 1998. Fluid grade milk averages are the same as the All Milk price for both years. Manufacturing grade milk average for 1999 was \$11.50 per hundred pounds, down 13 percent from the 1998 average of \$13.20. Milk cows averaged \$1200 per head during 1999, compared with \$1030 per head for the previous year.

The 1999 average price for broilers was 37 cents per pound, compared with 39.5 cents during 1998. Egg prices, at 78.5 cents per dozen, were up 8 percent from the previous year.